

**Meeting Between Federal Reserve Bank of New York Staff
and Representatives of UBS
September 16, 2010**

Participants: Joyce Hansen, Clinton Lively, Peter Drake, Paul Bhatti
(Federal Reserve Bank of New York)

David Kelly, Darryll Hendricks, Bryan Murtagh (UBS)

Summary: Staff of the Federal Reserve Bank of New York met with representatives of UBS to discuss certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), including Title VII and Section 619 of the Act. With respect to Title VII, UBS expressed concerns about the current uncertainty regarding the treatment of foreign exchange swaps and forwards under the Act and the potential for inconsistent treatment of these instruments by United States and foreign regulators to the extent they are not specifically exempted. UBS also raised concerns about various aspects of Section 716 of the Act, including concerns regarding fragmentation of the business and uncertainty under the statutory language regarding the treatment of U.S. branches of foreign banks. After concluding the discussion of Title VII and various implementation issues relating to Title VII, UBS and Federal Reserve Bank of New York staff discussed Section 619 of the Act. UBS expressed concerns about the definition of market making and the difficulties that it may encounter in implementing and monitoring the requirements of the regulations when adopted with respect to its client-facing trading desks. UBS also raised concerns regarding how the hedging exemption would be interpreted.